

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi_Misc_pt70c_LFB

➤ Record of Comm. Proceedings ... RCP

➤ **

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Federal Foster Care and Adoption Assistance Reimbursement/Information Technology Infrastructure Support (DHFS -- Children and Family Services and Supportive Living/Departmentwide and Management and Technology)

[LFB Summary: Page 249, #9 (part) and Page 314, #11]

CURRENT LAW

Wisconsin receives federal funds under Title IV-E of the Social Security Act for reimbursement of costs incurred by: (a) counties for out-of-home-care for children from families eligible for AFDC who are in need of protection and services; (b) DHFS for out-of-home care for children who have special needs and whose parental rights have been terminated and are under the guardianship of the state.

Wisconsin is reimbursed for approximately 59% of the costs of care and maintenance of these children. In addition, 50% of certain administrative costs and 75% of certain training costs are reimbursable under Title IV-E. Because federal law considers these funds reimbursement for costs already incurred by the states, it places no restriction on the use of these funds.

State law requires that DHFS distribute Title IV-E funds for services and projects to assist children and families. The state distributes Title IV-E funds to counties under the community aids basic county allocation (BCA). In 1996-97, \$40,151,000 of Title IV-E funds is budgeted in the BCA for distribution to counties.

If the state receives any Title IV-E funds from county claims that exceed the amount budgeted from these funds under community aids ("excess Title IV-E funds"), these funds can either be distributed to counties as a supplement to the amounts budgeted for the community aids BCA, or deposited to the state's general fund. In order to supplement budgeted community aids

funds, DHFS must submit a plan to the Secretary of DOA for approval. If approved, the plan is submitted to the Joint Committee on Finance for the Committee's review. If no objections are raised by the Committee, the plan is deemed approved. If an objection is raised by the Committee, DHFS cannot implement its plan. If DHFS does not submit a plan for allocating any excess Title IV-E funds or the plan is not approved, this revenue is deposited to the general fund.

GOVERNOR

County Incentive Program. Specify that if, by December 31 of any year, there remains unspent or unencumbered funds in the community aids allocation that exceed the amount of the Title IV-E funds allocated in that year, DHFS would be required to carry forward the excess funds and distribute at least 50% of these excess Title IV-E funds to counties that have population less than 500,000 (all counties other than Milwaukee County) for services and projects to assist children and families. Require counties to distribute at least 50% of these additional funds for services for children who are at risk of abuse or neglect to prevent the need for child abuse and neglect intervention services. Prohibit counties from using these additional funds to supplant any other funds expended by the county for services and projects to assist children and families.

Require that counties' community aids budgets, which must be submitted to DHFS by December 1 annually, include proposed expenditures for these additional Title IV-E funds. Correct an inaccurate reference in current law to the Title IV-E section of federal law.

Require DHFS to include any funds the state receives as reimbursement for foster care in Milwaukee County in calendar year 1996 and 1997 in its plan for the use of any unanticipated federal funds received for foster care and adoption assistance, substance abuse prevention and treatment, and community mental health. Repeal this provision as of January 1, 1998 (the date on which the state will assume responsibility for administering Milwaukee's child welfare services).

Income Augmentation Services. Create a federal, continuing appropriation in the DHFS Division of Management and Technology (DMT) for income augmentation services for receipt of moneys from the federal government as a result of income augmentation services for which the state has contracted, for the state administration of continuing programs to expended for the purposes specified. Authorize DHFS to distribute funds received under Title IV-E as reimbursement for costs incurred by counties, for services and projects to assist children and families and for the operational requirements of DHFS in administering programs to assist children and families.

DISCUSSION POINTS

County Incentive Program

1. The following table identifies actual and budgeted community aids expenditures supported by Title IV-E funds and GPR lapse amounts for fiscal years 1993-94 through 1996-97. Title IV-E claims in 1996-97 are not expected to exceed the amount budgeted for the community aids BCA.

**Distribution of Title IV-E Funds
State Fiscal Years 1993-94 Through 1998-99**

<u>Year</u>	<u>Community Aids Basic County Allocation</u>	<u>Amount Transferred to General Fund</u>
1993-94	\$46,422,737	\$21,429,700
1994-95	27,414,300	7,814,700
1995-96	38,900,740	138,322
1996-97 (budgeted)	40,151,000	0
1997-98	40,151,000	Unknown
1998-99	40,151,000	Unknown

2. Currently, counties have very little incentive to improve the accuracy of reporting costs eligible for reimbursement under Title IV-E in order to increase the total amount of IV-E funds claimed by the state. Although current law provides the means by which DHFS can use excess Title IV-E funds to supplement the community aids BCA, it is administratively difficult for DHFS to determine how much excess revenue is available and to redistribute these funds within a given fiscal year.

3. Moreover, current law permits, but does not require, that these funds be used to supplement the community aids BCA. If DHFS does not prepare a plan for the use of these excess revenues, or the DOA Secretary does not forward the DHFS plan for the approval of the Joint Committee on Finance, these excess IV-E claims are deposited to the state general fund, rather than distributed to counties as a supplement to the community aids BCA.

4. The provisions in the bill are intended to create an incentive for counties to improve the accuracy of claiming IV-E costs by requiring that 50% of moneys claimed that exceed amounts budgeted for the community aids BCA be credited to the community aids appropriation and, consequently, returned to counties.

5. It is not possible to accurately estimate how much county IV-E claims will increase as a result of creating the incentive program. Although counties, as a group, would benefit from increased claiming of Title IV-E funds, the benefit each county receives from this provision would not reflect that county's increased efforts to claim Title IV-E funds, since excess funds would be distributed through community aids. DHFS fiscal staff indicate that it would not be feasible to increase each county's IV-E allocation based on each county's increased claims.

6. In light of Governor's recommendation to provide no increase in state funding for the community aids in the 1997-99 biennium and projected reductions in other federal funds that support the community aids, the Committee may wish to adopt the Governor's recommendation to create the county incentive program to enable counties to retain at least 50% of excess Title IV-E funds claimed as a means of increasing funding for county programs supported by community aids.

Income Augmentation Services

7. As part of an income augmentation initiative, DHFS has hired a consulting firm, Maximus, to identify ways in which DHFS and counties can enhance their claims under Title IV-E, medical assistance (MA) and medicare. Payment for Maximus' services would be equivalent to 10% of any excess federal funds received as a result of the services provided by Maximus. DHFS indicates that under current law, it has the authority to pay Maximus for its services with Title IV-E and MA funds.

8. SB 77 would create an appropriation in DMT which would receive any excess funds from income augmentation initiatives. DHFS has not yet identified the process it will use for identifying funds received as a result of the income augmentation initiative. However, budgeted IV-E levels for community aids will be maintained prior to any federal funds being deposited in the income augmentation appropriation.

9. The bill does not indicate how the funds in the income augmentation appropriation would be used, except that they must be used "for the purposes specified." Under the Governor's provision, DHFS would be authorized to use excess Title IV-E funds for operational costs of its entire Division of Children and Family Services and many other programs administered by DHFS.

However, DHFS staff indicate that this provision is intended to cover the costs of improved data collection systems, training for counties regarding eligibility and reporting guidelines and increased state monitoring of county reporting which would likely be required as part of the income augmentation initiative.

10. The income augmentation appropriation is a federal appropriation and therefore, DHFS would not be required to request approval from the Committee in order to receive

increased expenditure authority under the income augmentation appropriation, nor would these funds lapse to the general fund at the end of the fiscal year. Rather, DHFS would request federal expenditure authority from the Department of Administration (DOA) and unexpended funds in the appropriation at the end of the year would be carried forward to the next fiscal year.

11. DHFS staff indicate that the Department will plan and negotiate with DOA for the use of income augmentation funds. Further, DHFS has indicated that the funds in the income augmentation appropriation not expended for income augmentation expenditures would not be treated as GPR-earned, nor would increased MA funds be used to offset MA expenditures.

12. Because of the potential use of the state's share of excess Title IV-E and MA funds, the Committee could delete the federal income augmentation appropriation and replace it with an annual, sum certain PR appropriation and specify that this appropriation would receive any excess funds transferred from the federal community aids appropriation and the federal and GPR, MA appropriations to be used for the operational costs of augmenting federal income under Title IV-E and MA.

Under this alternative, no funding would be provided in the bill to support DHFS administrative activities to enhance Title IV-E revenues. Consequently, DHFS would be required to request a transfer of funds from the federal community aids appropriation to the PR income augmentation appropriation under a fourteen-day passive review process. Finally, the Committee could specify that in order to transfer funds to the PR income augmentation appropriation, the Administration would be required to identify the total excess IV-E funds, the total amounts of funds to be transferred and the proposed use of those funds and how the proposed expenditures would be used to increase federal revenue.

13. Because most Title IV-E revenues are generated by costs incurred by the counties, it is reasonable to expect that in order to maximize federal revenues received under Title IV-E, counties should have an incentive in order to ensure their cooperation with the income augmentation initiative. Consequently, the Committee could require that all Title IV-E funds received from county claims be distributed through the community aids basic county allocation and provide that these funds could be used by counties for the operational costs of augmenting federal income under Title IV-E, rather than authorizing DHFS to use any Title IV-E funds for this purpose. This alternative assumes that counties are responsible for increasing Title IV-E claims and that counties require the flexibility to use Title IV-E funds for income augmentation.

14. However, the Committee may want retain some flexibility for DHFS to use excess Title IV-E funds for the operational requirements of augmenting federal income by requiring that 100% of Title IV-E revenues will be distributed under the community aids basic county allocation, less any amounts transferred to the income augmentation appropriation, upon approval by the Committee in a passive review process, to reflect the state's interest and oversight of Title IV-E revenues.

470

15. DHFS staff have indicated that any excess Title IV-E funds would be distributed among all counties other than Milwaukee County because it would not be administratively possible to identify which counties increased their Title IV-E claims. Because of the state's assumption of child welfare activities beginning January 1, 1998, Milwaukee County would be excluded from the distribution of excess Title IV-E funds.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendations.
2. Modify the Governor's recommendation by: (a) converting the FED appropriation for income augmentation services to a sum certain, PR appropriation with no funding budgeted in the 1997-99 biennium; (b) specifying that all additional Title IV-E funds be credited to the FED community aids appropriation; and (c) depositing all supplemental MA and medicare funds in the general fund as GPR-earned.
3. Delete the Governor's recommendations relating to income augmentation and use of Title-IV funds. Instead, require that all Title IV-E funds received as reimbursement for costs incurred by counties be distributed to counties through the community aids BCA. In addition, authorize counties to use Title IV-E funds for the operational requirements of augmenting federal income under Title IV-E.
4. Delete the Governor's recommendations to use Title IV-E funds for the operational requirements of administering programs to assist children and families and instead authorize DHFS to use Title IV-E funds for the operational costs of augmenting federal income under Title IV-E.
5. Maintain current law

MO# _____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

Prepared by: Rachel Cissne

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE _____ NO _____ ABS _____

HEALTH AND FAMILY SERVICES

Income Augmentation Services

Motion:

Move to modify the Governor's recommendation to require the Department, in consultation with DOA, to submit to the Joint Committee on Finance a plan for the use of the portion of income augmentation funds that are not allocated to counties or used exclusively for the operational costs of augmenting federal income. The plan would be subject to 14-day passive review by the JFC. Upon completion of the 14-day passive review, or approval of the plan by JFC, DHFS would be authorized to use the funds in the manner specified.

Note:

Under the Governor's budget, at least 50% of IV-E funds generated under the income augmentation program would be distributed to counties. The Department will have costs associated with generating the income augmentation revenue. These costs include technical assistance and training to counties in claiming procedures, changes to computer systems to improve federal claiming procedures, payments to consultants hired to assist in income augmentation, etc. Under the Governor's budget and this motion, income augmentation revenue would be used to pay the operational costs of generating the federal income. Under this motion, the Department would prepare a plan, in consultation with DOA, for the use of the remaining income augmentation funds. The plan would include the amount of the remaining funds that would lapse to the general fund and other uses of the funds by the Department. The Department expects that the income augmentation funds would be used to fund needs that would otherwise have to be funded by GPR or would go unmet. Under the motion, the JFC would review the Department's plan under the 14-day passive review process.

Motion #1696

[illegible]

Representative Gard
Senator Shibilski

HEALTH AND FAMILY SERVICES

Foster Care Rate Increases

Motion:

Move to provide \$312,700 GPR and \$148,600 FED in 1997-98 and \$1,030,000 GPR and \$490,800 FED in 1998-99 to increase foster care rates by 2.5%, beginning in January 1, 1998 and an additional 2.5%, beginning January 1, 1999.

Note:

Under current law, monthly foster care rates are established in statute at: (a) \$282 for a child less than five years of age; (b) \$307 for a child age five through 11; (c) \$349 for a child age 12 through 14; and (d) \$365 for a child age 15 and over.

This motion would increase those rates, effective January 1, 1998 to: (a) \$289 for a child less than five years of age; (b) \$315 for a child age five through 11; (c) \$358 for a child age 12 through 14; and (d) \$374 for a child age 15 and over. Effective January 1, 1999 the rates would increase to: (a) \$296 for a child less than five years of age; (b) \$323 for a child age five through 11; (c) \$367 for a child age 12 through 14; and (d) \$383 for a child age 15 and over.

[Change to Bill: \$1,342,700 GPR and \$639,400 FED]

MO# 3117

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

Motion #3117

AYE 10 NO 6 ABS

<p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p>

ISSUE

Foster Parent Training (DHFS -- Children and Family Services and Supportive Living)

[LFB Summary: Page 315, #12]

CURRENT LAW

The Department of Health and Family Services (DHFS) is required to develop a foster care education program to provide specialized training for persons operating treatment foster homes. By rule, treatment foster parents are required to participate in a minimum of 18 hours of orientation and training related to the general care and support needs of the children to be placed in the home prior to being licensed. Further, treatment foster parents are required to participate in a minimum of 24 hours of ongoing training in the second year of being licensed, and 18 hours of training for every subsequent year of licensure. Training programs for treatment foster parents must be approved by DHFS.

On a county-by-county basis, some training may be available on a voluntary basis for foster parents caring for children with special needs, and other counties and private child welfare agencies may require foster parent training prior to licensing or prior to receiving a child in their home. DHFS currently distributes \$30,900 to make training available to foster parents across the state.

GOVERNOR

Provide \$69,000 (\$43,000 GPR and \$26,000 FED) in 1997-98 and \$138,000 (\$86,000 GPR and \$52,000 FED) in 1998-99 for voluntary training of foster parents who care for children with special needs.

DISCUSSION POINTS

1. A child with special needs is defined, by rule, as a child who requires more than the usual amount of care and supervision for the child's age because of special emotional, behavioral and physical needs. In December, 1994, approximately 70% of the children in foster care were considered children with special needs. Foster parents need to be able to accommodate these needs to ensure the safety and well-being of children in their care.

2. SB 77 would provide funding for training that would be available on a voluntary basis to foster parents who care for children with special needs. The amount of funding in the bill assumes that one parent in 50% of the foster families would elect to participate in training. The funding in the bill would be sufficient to support special needs training to approximately 600 foster parents in 1997-98 and 1,200 foster parents in 1998-99.

Foster parents would be able to receive training specific to the needs of their foster child. Likely topics covered include: (a) medical care; (b) developmental disability; (c) cognitive disability; (d) and the requirements of children with special needs.

3. Training funded by SB 77 would be available to foster parents caring for children with special needs in all counties except Milwaukee County, since DHFS has budgeted for training in Milwaukee County under a separate item in the Governor's budget relating to the state's takeover of child welfare activities in Milwaukee County beginning January 1, 1998.

4. DHFS staff indicate that this provision was not intended to address a specific concern over the quality of care for children in foster care. Instead, this item is designed to address a need identified by foster parents that they require training to support their efforts to provide care to children with special needs. It could be argued that if foster parents' needs for training go unmet, the state and counties may not be able to retain the current population of available foster parents.

5. However, making training available for foster parents who care for special needs children may not increase the pool of potential foster parents for children with special needs, since many people believe that the level of foster care payments are not commensurate with the services foster parents provide, and that individuals willing to care for children with special needs would do so regardless of whether training were available.

6. Under Title IV-E of the federal Social Security Act, states are reimbursed for 75% of the costs of providing training for foster parents. The funding in SB 77 should be reestimated to reflect that 75% of the costs provided will be supported with federal Title IV-E funds.

HEALTH AND FAMILY SERVICES

Foster Parent Training

Motion:

Move to provide \$69,000 (\$43,000 GPR and \$26,000 FED) in 1997-98 and \$138,000 (\$86,000 GPR and \$52,000 FED) in 1998-99 for DHFS to provide voluntary training of foster parents who care for children with special needs. Specify that total funding provided for this training shall not exceed \$69,000 in 1997-98 and \$138,000 in 1998-99. In the event that federal funds are more than anticipated under this item, GPR funding shall lapse by a corresponding amount.

Note:

This motion would maintain funding provided in SB 77 for this purpose.

MO#

1702

JENSEN	<input checked="" type="checkbox"/>	N	A
2OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS

ALTERNATIVES TO BILL

1. Modify the Governor's recommendations to provide funding for training for foster parents of children with special needs to reflect that 75% of these costs will be supported with federal funds.

<u>Alternative 1</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$77,000	\$77,000	\$0

2. Delete the Governor's provision.

<u>Alternative 2</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$129,000	- \$78,900	- \$207,900

Prepared by: Rachel Cissne

*See Motion #1702
replaces Alt #1*

MO# _____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE _____ NO _____ ABS _____

HEALTH AND FAMILY SERVICES

Transfer of the Foster Grandparent Program

Motion:

Move to delete the transfer of funding and staff for the foster grandparent program from the Division of Supportive Living (DSL) to the Division of Children and Family Services (DCFS). Delete \$30,600 PR annually and the conversion of 1.0 FED position in DSL to 1.0 PR position, beginning in 1997-98, to retain the foster grandparent program in DSL.

Note:

The foster grandparent program is currently administered in the Bureau on Aging in DSL. SB 77 would transfer funding for the foster grandparent program from the DSL to DCFS. Beginning in 1997-98, 1.0 FED position would be transferred to DCFS and 1.0 FED position in DSL would be converted to a 1.0 PR position that would remain in DSL, but funded from DCFS.

The foster grandparent program enrolls low-income elderly persons as volunteers and places them in schools, child care centers, state institutions and Head Start programs to serve children with special needs.

[Change to Bill: -\$61,200 PR and -1.0 PR position and 1.0 FED position]

MO# 3103

JENSEN	Y	N	A
2.OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

Motion #3103

AYE 16 NO 0 ABS

<p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p>

ISSUE**Special Needs Adoption Services (DHFS -- Children and Family Services and Supportive Living)**

[LFB Summary: Page 315, #13]

CURRENT LAW

Milwaukee County is responsible for providing out-of-home-care for children from Milwaukee County whose parental rights have been terminated and are determined to have special needs. Further, Milwaukee County provides adoption services such as recruitment, orientation and study of prospective adoptive families for these children. For children from the remainder of the state, the Department of Health and Family Services (DHFS) is responsible for providing these services.

Federal funding available under Title IV-E of the federal Social Security Act reimburses states for 50% of the costs of providing adoption services for children from homes eligible for the aid to families with dependent children (AFDC) program.

Prior to the finalization of an adoption, a study of the potential adoptive home is required. For foster families who wish to adopt their foster child, the home study generally requires six months to complete. Studies of new potential adoptive homes generally require twelve months.

GOVERNOR

Provide \$50,000 (\$31,000 GPR and \$19,000 FED) annually for DHFS to study potential adoptive homes outside of the southeastern region of the state that intend to adopt children with special needs from Milwaukee County.

DISCUSSION POINTS

1. The funding that would be provided in SB 77 would enable DHFS to study potential adoptive homes for children from Milwaukee County that are in areas outside of Milwaukee County and surrounding counties. Milwaukee County does not currently conduct home studies in these areas, even though children from Milwaukee County are placed in outstate foster homes. In many instances, these children are relatives of foster families with whom these children live.

2. The amount of funding in the bill is based on bids received from two providers in Milwaukee County to conduct home studies. Based on these bids and the funding in SB 77, it is estimated that DHFS could conduct 19 home studies annually.

3. Approximately 50 children from Milwaukee County live in foster homes outside of the southeastern region of the state. For some of these children, adoption by their foster family may be appropriate. However, because Milwaukee County has not budgeted funds to conduct home studies for these children, the children continue to live in foster homes. In addition, DHFS staff are aware of two families outside of the southeastern region of the state that have indicated a desire to adopt a total of five children who are in foster care in Milwaukee County. This funding could be used to conduct home studies for these types of cases.

4. Completion of home studies for these children would: (a) allow the county, or, beginning January 1, 1988, the state, to finalize adoptions for these children; (b) transfer the costs of caring for these children from foster care to adoption assistance, upon satisfactory completion of a home study; and (c) provide permanency to these children and families.

5. If the Committee chooses to fund home studies for these children, the funding provided in SB 77 should be reestimated to be \$25,000 GPR and \$25,000 FED annually to reflect that federal cost sharing is available on a 50% GPR/50% FED basis, rather than 62% GPR/38% FED basis, as provided in SB 77.

ALTERNATIVES TO BILL

1. Modify the Governor's recommendations to reflect a 50% federal share for studying potential adoptive homes for children with special needs from Milwaukee County.

<u>Alternative</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$12,000	\$12,000	\$0

2. Delete the provision.

<u>Alternative 2</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$62,000	- \$38,000	- \$100,000

Prepared by: Rachel Cissne

MO#

Alt #1

2 JENSEN	<input checked="" type="checkbox"/>	N	A
1 OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS _____

HEALTH AND FAMILY SERVICES

Adoption Assistance

Motion:

Move to provide \$241,500 GPR in 1998-99 in the Committee's supplemental appropriation to support the estimated costs of enacting Legislative Council draft 0116/3, related to adoption assistance. This funding would be reserved in the Committee's supplemental appropriation and could be released to DHFS upon enactment of the draft, up to the amounts specified in the draft.

Note:

The state provides adoption assistance to certain families who adopt children with special needs in cases where such assistance is necessary to ensure the child's adoption. Adoption assistance can be provided as cash payments or medical care for the child or as reimbursement for nonrecurring adoption expenses. Currently, adoption assistance agreements are required prior to the finalization of an adoption.

The Legislative Council's draft was prepared for, and recommended for passage by the Joint Legislative Council's Special Committee on Adoption Laws. The draft would provide medical assistance eligibility to children adopted by families, when the child is determined to be at-risk of developing special needs. In addition, the draft would provide an exception to the requirement that an adoption assistance agreement be signed prior to adoption.

This motion would specify that the funds provided to the Committee's appropriation could be released to DHFS for adoption assistance expenditures only up to the amounts specified in the enacted legislation. The funding amount reflects anticipated savings of \$335,000 GPR in 1998-99.

[Change to Bill: \$241,500 GPR]

Motion #3119

MO# 3119	A A A A A A A A	A A A A A A A A	AYE 16 NO 5 ABS
	N N N N N N N N	N N N N N N N N	
	X X X X X X X X	X X X X X X X X	
JENSEN		BURKE	
OURADA		DECKER	
HARSDORF		GEORGE	
ALBERS		JAUCH	
GARD		WINEKE	
KAUFERT		SHIBILSKI	
LINTON		COWLES	
COGGS		PANZER	

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Transfer Community Intervention Program (DHFS -- Children and Family Services and Supportive Living, Corrections -- Juvenile Corrections)

[LFB Summary: Page 195, #5, Page 316, #14]

CURRENT LAW

The Department of Corrections (DOC) annually distributes base funding of \$3,750,000 to counties for early intervention services for first offenders and for intensive community-based intervention services for seriously chronic offenders. A county receiving Community Intervention funding is required to submit an expenditure plan that ensures that the funds are targeted appropriately. The total funding is allocated as follows: (a) 33% of the funds are distributed based on each county's proportion of the violent Part I juvenile arrests reported statewide, during the most recent two-year period; (b) 33% of the funds are distributed based on each county's proportion of the number of children statewide who are placed in a juvenile correctional institution or a secured child caring institution during the most recent two-year period; and (c) 34% of the funds are distributed based on each county's proportion of the total Part I juvenile arrests reported statewide during the most recent two-year period.

GOVERNOR

Transfer \$3,750,000 GPR annually and the community intervention program from DOC to the Department of Health and Family Services (DHFS). Eliminate the requirement that these funds be used for first offenders and for serious chronic offenders (funds would still be required to be used for early intervention and intensive community-based intervention services). Under the bill, the formula for distribution of the funds would not change.

DISCUSSION POINTS

1. Community intervention program grants are currently provided to 71 counties (Iron County did not apply for funding). This includes three counties (Clark, Iowa and Kewaunee) that did not apply for funding in 1995-96, but are receiving funding in 1996-97. Thirty one counties provide early intervention services for first offenders, seven counties provide intensive community-based intervention services for seriously chronic offenders and 33 counties provide services to both target groups. DOC officials indicate that current community intervention program services are generally popular with judges, law enforcement, school, and other local officials. The Attachment to this paper lists these counties, the grant amounts for 1996-97 and the category of services provided.

2. Early intervention delinquency services may begin when a juvenile is identified as being at risk for delinquency because of certain indicators, including truancy, poor school performance, delinquent older siblings and the commission of petty offenses. Services are typically designed to hold juveniles accountable for their actions and to provide juveniles and their families with increased competencies to prevent more serious behavior, or a repetition of a behavior, from occurring.

3. Intensive community-based intervention delinquency services emphasize community safety by closely monitoring the juvenile's activities, restricting movement to within certain environments and enforcing strict rules of supervision. Electronic monitoring may be a component of intensive intervention services.

4. Generally, community intervention program services are a combination of county-provided services and services provided under contracts with private agencies. For example, in 1995-96, services in Milwaukee were provided by 28 community- and neighborhood-based organizations.

5. The transfer of the community intervention program was not requested by either DOC or DHFS. DOA budget officials indicate that the Governor's recommendation is based on DOA's assessment of current community intervention program grants and a conclusion that the most effective of these programs are prevention oriented. Based on this assessment, it was determined that the grant funds would be more appropriately administered under DHFS as prevention funding for children.

6. DOA officials also indicate that the transfer of the community intervention program and other prevention programs would address certain recommendations made in the Legislative Audit Bureau (LAB) evaluation of state prevention programming. In its September, 1996, report on the state's prevention programs, however, the LAB did not identify the community intervention program as a prevention program and it was not discussed in the report.

7. The LAB report identified certain advantages and disadvantages of consolidating prevention programs. An integrated prevention program could produce a more comprehensive, consistent prevention policy, enhance long-term planning and produce administrative efficiencies. On the other hand, consolidation within a larger agency could result in inadequate attention to issues that may be controversial or exceptionally sensitive. Policies regarding prevention programming could also be affected by changes in the administration of the agency. Finally, most state and local staff interviewed for the report indicated that there was some benefit to maintaining multiple administrative agencies in providing prevention services. Multiple and diverse approaches to prevention may be more likely to result in multiple perspectives that lead to useful discussion and debate on prevention policy.

8. It could be argued that all prevention services should be delivered in an integrated, community-based system, and that DHFS is the appropriate agency to administer such a system. This approach is based on the belief that a variety of factors influence behaviors in children, and that local communities are best able to assess their needs and target prevention funds towards those needs. Because DHFS serves as the lead state agency for providing services to children and families, it can best administer an integrated community-based prevention program.

9. The community intervention program provides flexibility to counties in targeting services to delinquent juveniles. Local officials, particularly in Milwaukee County, have expressed support for the program under current law and no problems relating to the program's administration are apparent. The proposed transfer of the program does not appear aimed at making specific improvements in intervention services for delinquent juveniles, but rather to consolidate certain programs for juveniles, currently operated by several agencies, under DHFS. If the rationale for such consolidation is persuasive, the transfer of the community intervention program may enhance the effort planned under DHFS.

10. Under the bill, the current law requirement that community intervention program funds be used for first offenders and for serious chronic offenders would be eliminated. It could be argued that DHFS, with its child welfare orientation, would eventually shift resources into prevention and early intervention services for children, rather than delinquent juveniles. DOA also indicates that the deletion of the statutory requirement would likely affect the current use of funds, particularly in shifting funding away from a focus on chronic juvenile offenders. If community intervention program funding is reduced for delinquency services, the continuation of these services would require alternative county funding.

11. In order to ensure that the focus of the program remains on delinquency-related intervention, it could be argued that the statutory requirement that community intervention program funding target first-time offenders and serious chronic offenders should be retained. With this modification, the focus on first-time and chronic juvenile offenders could be maintained, with the transfer of the program to DHFS. However, if this delinquency focus is maintained, DOC could be viewed as a more appropriate agency to administer the program, given its responsibilities relating to delinquency issues.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to transfer \$3,750,000 GPR annually from Corrections to the Department of Health and Family Services to reflect the transfer of the community intervention program. Eliminate the requirement that these funds be used for first offenders (early intervention services) and for serious chronic offenders (intensive community-based intervention services).

2. Modify the Governor's recommendation by transferring the community intervention program to the Department of Health and Family Services, but retain the current law requirement that these funds be used for first offenders (early intervention services) and for serious chronic offenders (intensive community-based intervention services).

3. Maintain current law.

Prepared by: Art Zimmerman

MO#

Alt #3

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 15 NO 1 ABS

ATTACHMENT

Community Intervention Program Grants 1996-97

<u>County</u>	<u>Grant Allocation</u>	<u>Target Group</u>	<u>County</u>	<u>Grant Allocation</u>	<u>Target Group</u>
1 Adams	\$4,362	Both groups	36 Manitowoc	\$54,329	Both groups
2 Ashland	6,022	Early intervention	37 Marathon	60,626	Both groups
3 Barron	14,887	Both groups	38 Marinette	14,362	Early intervention
4 Bayfield	4,398	Early intervention	39 Marquette	1,724	Early intervention
5 Brown	110,164	Early intervention	40 Menominee	12,431	Both groups
6 Buffalo	2,816	Early intervention	41 Milwaukee	1,532,150	Early intervention
7 Burnett	6,162	Early intervention	42 Monroe	16,652	Both groups
8 Calumet	8,339	Early intervention	43 Oconto	5,061	Early intervention
9 Chippewa	16,033	Both groups	44 Oneida	26,028	Both groups
10 Clark	6,023	Early intervention	45 Outagamie	82,001	Serious/chronic
11 Columbia	13,592	Early intervention	46 Ozaukee	16,129	Serious/chronic
12 Crawford	4,645	Early intervention	47 Pepin	3,195	Early intervention
13 Dane	248,801	Both groups	48 Pierce	4,989	Early intervention
14 Dodge	33,778	Early intervention	49 Polk	16,023	Serious/chronic
15 Door	6,345	Early intervention	50 Portage	26,316	Serious/chronic
16 Douglas	30,939	Early intervention	51 Price	4,590	Both groups
17 Dunn	9,577	Both groups	52 Racine	259,935	Both groups
18 Eau Claire	49,010	Both groups	53 Richland	4,212	Both groups
19 Florence	2,315	Both groups	54 Rock	130,112	Both groups
20 Fond du Lac	85,015	Serious/chronic	55 Rusk	11,047	Both groups
21 Forest	14,582	Early intervention	56 St. Croix	8,815	Both groups
22 Grant	7,658	Both groups	57 Sauk	19,906	Early intervention
23 Green	7,862	Both groups	58 Sawyer	10,806	Both groups
24 Green Lake	6,153	Early intervention	59 Shawano	21,867	Early intervention
25 Iowa	4,122	Early intervention	60 Sheboygan	65,994	Both groups
26 Iron	0	Did not apply	61 Taylor	3,294	Early intervention
27 Jackson	3,862	Early intervention	62 Trempealeau	1,683	Early intervention
28 Jefferson	37,688	Both groups	63 Vernon	4,829	Both groups
29 Juneau	6,905	Early intervention	64 Vilas	13,213	Early intervention
30 Kenosha	118,304	Both groups	65 Walworth	31,362	Both groups
31 Kewaunee	2,769	Serious/chronic	66 Washburn	2,887	Early intervention
32 LaCrosse	51,190	Both groups	67 Washington	48,050	Serious/chronic
33 Lafayette	1,769	Early intervention	68 Waukesha	121,832	Both groups
34 Langlade	13,190	Early intervention	69 Waupaca	26,740	Both groups
35 Lincoln	22,336	Both groups	70 Waushara	4,628	Both groups
			71 Winnebago	78,956	Both groups
			72 Wood	41,613	Both groups
			Total	\$3,750,000	

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Substance Abuse and Mental Health Block Grants (DHFS -- Children and Family Services and Supportive Living)

[LFB Summary: Page 319, #17]

CURRENT LAW

The Department of Health and Family Services (DHFS) receives federal funds under the substance abuse prevention and treatment (SAPT) block grant for programs that prevent and treat substance abuse. In 1996-97, DHFS received a total of \$23,380,900 FED from the SAPT block grant. DHFS also receives federal funds under the community mental health (CMH) block grant for programs to provide comprehensive community mental health services to adults with serious mental illness and children with a serious emotional disturbance. In 1996-97, DHFS received \$5,148,400 FED from the CMH block grant.

SAPT Block Grant. In 1996-97, \$11,285,200 from the SAPT block grant is distributed to counties as a categorical allocation in community aids. This amount represented approximately 47% of the total SAPT block grant award. Counties must meet federal requirements relating to the use of these funds. The remaining SAPT funds are budgeted to support: (a) substance abuse treatment programs at correctional facilities (\$1,349,200); (b) local programs for substance abuse treatment and prevention (\$9,560,200); and (c) state operational costs of administering substance abuse programs (\$1,186,300).

The statutes require DHFS to distribute funding from the SAPT block grant for specific programs. These allocations include: (a) \$900,000 for a multidisciplinary prevention and treatment program for cocaine-abusing women and their children in Milwaukee County; (b) \$35,000 for services to women and children in Dane County provided by the ARC Community

Services Center; and (c) \$300,000 for a youth gang diversion program administered by the Department of Corrections.

Further, within the limits of available federal funds, DHFS is required to distribute \$1,200,000 for neighborhood drug use and violence prevention projects. Funds can be used to support the creation of Wisconsin against drug environments (WADE) centers, culturally representative alcohol and other drug abuse trainers, community speakers and persons to monitor certain court actions. DHFS may distribute these grants to: (a) cities, villages or towns; (b) a community-based organization in the City of Milwaukee that represents city-wide interests, has a membership that represents diverse neighborhood interests and organizations and has a board of directors that is elected by its membership; and (c) county human services departments and county departments of community programs.

CMH Block Grant. In 1996-97, \$2,513,400 from the CMH block grant is distributed to counties as a categorical allocation under community aids, an amount that represents 49% of the total CMH block grant allocation. Counties are required to comply with all federal requirements regarding the use of these funds. In 1996-97, the CMH block grant is also used to fund: (a) local programs for mental health services (\$1,087,000); (b) integrated services programs for children with severe emotional disturbances (\$1,330,500); and (c) state operational costs of administering mental health service programs (\$217,500).

By statute, DHFS is required to distribute annually from the CMH block grant: (a) \$240,000 for mental health programs for children with severe emotional disturbances; (b) \$350,000 for system change grants to assist in relocating individuals with mental illness from institutional or residential care to the community by providing community-based services; (c) \$182,000 for training for mental health professionals; (d) \$180,000 for services to consumers of mental health services and their families; and (e) \$75,000 for community mental health protection and advocacy.

GOVERNOR

Authorize DHFS to distribute up to the current statutory allocation amounts for the following programs: (a) multidisciplinary prevention and treatment program for cocaine-abusing women and their children in Milwaukee County (\$900,000); (b) services to women and children in Dane County provided by the ARC community services center (\$35,000); (c) the youth gang diversion program administered by the Department of Corrections (\$300,000); (d) neighborhood drug use and violence prevention programs (\$1,200,000); (e) mental health programs for children with severe emotional disturbances (\$240,000); (f) system change grants to assist in relocating individuals with mental illness from institutional or residential care to the community by providing community-based services (\$350,000); (g) training for mental health professionals (\$182,000); (h) services to consumers of mental health services and their families (\$180,000); and (i) community mental health protection and advocacy (\$75,000). DHFS would no longer be

required to allocate specific funding amounts for these programs but rather, would be prohibited from expending more than the statutory allocation amounts.

Further, provide that community-based nonprofit organizations are also eligible to receive grants for the neighborhood drug use and violence prevention program.

DISCUSSION POINTS

Statutory Allocations

1. Based on recent federal reductions in SAPT and CMH block grant awards, the total amount of funding provided in SB 77 to fund current programs supported by these block grants has been reduced. The following table identifies actual block grant allocations for 1996-97 and total allocations in SB 77 for 1997-98 and 1998-99.

**Total Estimated SAPT and CMH Block Grant Allocations
Actual Fiscal Year 1996-97 and Amounts Budgeted in SB 77**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
SAPT Block Grant	\$23,380,900	\$21,655,300	\$21,140,900
CMH Block Grant	5,148,400	5,001,800	5,001,800

2. The SB 77 provisions would provide DHFS the flexibility to reduce funding for certain programs, based on the availability of federal funding. Under current law, DHFS must allocate specific amounts of funding for each program, regardless of the availability of federal funds. However, under SB 77, if federal funding exceeds current projections, DHFS could allocate funding up to the amounts specified in statute.

Current requirements for funding from the CMH block grant for mental health programs for children with severe emotional disturbances and consumer support grants represent funding increases provided for these programs in 1995 Wisconsin Act 27, rather than total funding that would have been required under Act 27. These statutory requirements should reflect current allocations for these programs (\$1,330,500 annually for mental health programs for children with severe emotional disturbances and \$480,000 annually for consumer support grants) rather than increased funding provided in Act 27.

3. DHFS intends to allocate amounts less than the statutory allocations for most of these programs to reflect projected reductions in federal funding. The table below identifies actual funding distributed for specific programs in 1996-97 and the amounts DHFS intends to budget for these programs in the 1997-99 biennium.

<u>Program</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
SAPT Block Grant			
Neighborhood drug use and violence prevention	\$1,200,000	\$1,112,300	\$1,083,600
Cocaine-abusing women	900,000	900,000	900,000
ARC community services	235,000	217,800	212,200
Youth gang diversion	300,000	278,100	270,900
CMH Block Grant			
Mental health programs for children with SED	\$1,330,500	\$1,330,500	\$1,330,500
System change grants	350,000	304,500	304,500
Professional training	182,000	158,000	158,000
Consumer support grants	480,000	417,500	417,500
Protection and advocacy	75,000	65,000	65,000

3. The DHFS allocation plan would proportionately reduce amounts allocated for seven of these nine programs. Funding for the cocaine-abusing women program and mental health services for children with severe emotional disturbances would be maintained at the 1996-97 level. DHFS staff indicate that maintaining funding for these programs is a high priority due to populations served under these two programs. Without the flexibility to reduce federal funding for programs, DHFS will be limited in its ability to proportionately distribute any federal funding reductions in the future.

4. SB 77 reduces funding for state operations supported by these block grants by approximately 18.5% in 1997-98 and 23.6% in 1998-99. These reductions are greater than those proposed for the programs with statutory allocations (-7.3% in 1997-98 and -10.7% in 1998-99 for SAPT block grant-supported programs and -13.2% in 1997-98 and -15.1% in 1998-99 for CMH block grant-supported programs).

5. The Committee could modify the statutory allocations for these programs so that they are consistent with the amounts budgeted for these programs in SB 77. This would be consistent with the current practice of specifying the funding amounts to be provided for these programs in statute. However, if federal funds for these block grants are adjusted in the future, DHFS would not be provided the flexibility to adjust funding amounts for these programs based on future federal funding adjustments.

To address the issue of flexibility, the Committee could both: (a) adjust the statutory allocations to reflect amounts budgeted in SB 77 for these programs; and (b) authorize DHFS to allocate up to the amounts specified in statute.

WADE Program

6. SB 77 would provide that nonprofit, community-based organizations are eligible for grants under the neighborhood drug and violence prevention program (the WADE program). Currently, local units of government and, only in Milwaukee County, a community-based organization are eligible to receive funding.

7. DHFS has recently made administrative changes to the WADE program to address broad economic issues and expand the focus of the program from a neighborhood-based program to a county-wide program. The request-for-proposal (RFP) for contracts in Milwaukee County beginning July 1, 1997, indicates the following changes would be made to the program:

- Projects funded would be administered county-wide, rather than city-wide to enhance coordination with other county-wide efforts, utilize resources that may be available to the county as well as the city, and conform with funding and service boundaries as established by the Wisconsin Works initiative.

- Increased funds would be targeted to those areas or neighborhoods with the highest need for substance abuse and violence prevention activities.

- Emphasis would be placed on coordination with other appropriate agencies to provide links to related goals of employment, economic development, resident home ownership, youth resiliency efforts and family preservation and support efforts.

8. In a March 31, 1977, letter to legislators, DHFS Secretary Leraan indicated that the program places no less emphasis on direct activities to prevent or limit substance abuse and violence. Further, the recent program changes are based on the belief that employment and community revitalization are necessary to sustain permanent change to create a climate for decreasing substance abuse and violence and that coordination with other appropriate agencies related to goals of employment, economic development, and resident home ownership are related to the goals of reducing drug use and violence. The Secretary's letter indicates that DHFS is addressing issues raised in a Legislative Audit Bureau report on prevention programs indicating that a number of societal influences affect substance abuse and violence.

9. It could be argued that the Department's recent expansion of the scope of the program exceeds the intent of current law. SB 77 provides no statutory changes to the program other than expansion of organizations eligible to receive funds. If the Committee supports the recent changes DHFS has made to the program, it could amend the current statutes to specify that organizations receiving funds shall establish links to other community organizations that address issues of employment, economic development and resident home ownership as a means of preventing drug use and violence. Alternatively, the Committee could prohibit the use of funds under the neighborhood drug use and violence prevention projects for activities related to employment, economic development and home ownership, in order to retain the focus of the program on drug use and violence.

ALTERNATIVES TO BILL

A. Allocations from the SAPT and CMH Block Grants

1. *Pass* Modify the Governor's recommendations to reflect current allocations for mental health programs for children with severe emotional disturbances (\$1,330,500) and consumer support grants (\$480,000).

2. Delete the Governor's recommendations. Instead, require that DHFS distribute the following amounts from the SAPT block grant in the 1997-99 biennium: (a) \$1,112,300 in 1997-98 and \$1,083,600 in 1998-99 for neighborhood drug use and violence prevention; (b) \$900,000 annually for cocaine-abusing women and their children; (c) \$217,800 in 1997-98 and \$212,200 in 1998-99 for ARC community services to provide services to women and children; and (d) \$278,100 in 1997-98 and \$270,900 in 1998-99 for youth gang diversion. From the appropriation for the federal CMH block grant, the following will be distributed: (a) \$1,330,500 annually for mental health programs for children with severe emotional disturbances; (b) \$304,500 annually for system change grants to assist in relocating individuals with mental illness from institutional or residential care to the community by providing community-based services; (c) \$158,000 annually for training for mental health professionals; (d) \$417,500 annually for services to consumers of mental health services; and (e) \$65,000 annually for community mental health protection and advocacy.

3. Adopt the statutory allocations identified under Alternative (2). In addition, authorize DHFS to allocate funding up to the statutory amounts.

B. Neighborhood Drug Use and Violence Prevention Projects

1. *FAIL* Modify provisions relating to the neighborhood drug use and violence prevention projects by requiring that organizations that receive funds establish links to other community organizations that address issues of employment, economic development and resident home ownership as a means of preventing drug use and violence.

2. *FAIL* Modify current statutory provisions relating to the neighborhood drug use and violence prevention projects by prohibiting the use of funds for neighborhood drug use and violence prevention for activities related to employment, economic development and home ownership.

MO# A14#A1

Prepared by: Rachel Cissne

JENSEN	✓	N	A	BURKE	✓	N	A
OURADA	✓	N	A	DECKER	✓	N	A
HARSDORF	✓	N	A	GEORGE	✓	N	A
ALBERS	✓	N	A	JAUCH	✓	N	A
GARD	✓	N	A	WINEKE	✓	N	A
KAUFERT	✓	N	A	SHIBILSKI	✓	N	A
LINTON	✓	N	A	COWLES	✓	N	A
COGGS	✓	N	A	PANZER	✓	N	A

AYE 16 NO 0 ABS 0

PAPER #474

MO# Ait #31

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS _____

MO# Ait #32

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS _____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Drug Abuse Program Improvement Surcharge and the Alliance for a Drug-Free Wisconsin (DHFS -- Children and Family Services and Supportive Living)

[LFB Summary: Page 325, #28 and #29]

CURRENT LAW

Drug Abuse Program Improvement Surcharge (DAPIS). Under the state's uniform controlled substances act, courts are required to impose a surcharge of 50% on applicable fines and penalty assessments charged for persons convicted of certain controlled substances-related offenses. All moneys collected from the surcharge are credited to a DHFS appropriation to support programs for prevention, intervention and treatment for alcohol and other drug abuse problems.

For 1996-97, DHFS has budgeted \$758,800 PR of DAPIS funds for: (a) training of local substance abuse treatment staff (\$25,000); (b) a treatment program for hearing impaired persons (\$125,000); (c) a training coordinator position to promote staff development for substance abuse counselors statewide (\$66,100); (d) a development specialist position to provide technical assistance, consultation and training to substance abuse program providers (\$54,200); (e) funding for positions and grants for the Alliance for a Drug-Free Wisconsin (\$238,500); and (f) programs that are also supported by the federal substance abuse prevention and treatment (SAPT) block grant (\$250,000).

Alliance for a Drug-Free Wisconsin Grants. DHFS allocates funds to local organizations that promote a grassroots ethic against drugs and alcohol and community-based prevention efforts. There are 132 of these organizations, commonly referred to as alliances for a drug-free Wisconsin, that are eligible to receive these funds. Currently, 1.50 positions in DHFS provide state level leadership for local alliances by promoting and developing collaboration and coordination among state agencies and local alliances and managing the implementation of the

state plan for expanding local alliances. Staff costs total \$138,500 PR in 1996-97. In addition, \$100,000 PR is budgeted in 1996-97 to promote substance abuse prevention activities and provide grants.

Research Evaluation Funding. In 1996-97, DHFS is budgeted \$23,500 GPR to collect data on the effectiveness of substance abuse and outcomes of treatment programs. Three hospitals received a total of \$6,000 to collect data on substance abuse-related emergency room visits. In addition, \$17,000 was provided as start-up grants to treatment providers for data collection activities and \$500 was used for data reports from the Division of Health on substance abuse related morality rates and other data. The data collected is used to provide information in the biennial Wisconsin Alcohol and Drug Abuse Indicators report produced by DHFS.

GOVERNOR

Alliance for a Drug-Free Wisconsin Grants. Provide \$50,000 PR annually to increase funding for grants to local alliance for a drug-free Wisconsin from \$100,000 PR to \$150,000 PR, beginning in 1997-98. Provide \$50,000 PR annually to reflect the transfer of DAPIS funds from the Division of Supportive Living (DSL) to the Division of Children and Family Services (DCFS), which is responsible for administering these grants.

GPR Funding Reductions. Reduce funding for alcohol and other drug abuse research evaluation conducted by BSAS by \$23,500 GPR annually and convert 1.0 GPR position in BSAS to PR supported by DAPIS revenues, beginning in 1997-98. Reduce funding by \$71,200 GPR annually and provide a corresponding PR increase to reflect the conversion of this position.

DISCUSSION POINTS

1. The following table identifies the projected DAPIS opening balance, revenues and expenditures and closing balance for 1995-96 through 1998-99, as provided in SB 77.

DAPIS Revenues and Expenditures Fiscal Years 1995-96 Through 1998-99 Senate Bill 77

	Actual 1995-96*	1996-97**	1997-98	1998-99
Opening Balance	\$583,400	\$383,800	\$296,400	\$352,500
Revenue	648,900	671,400	694,600	718,600
Expenditures	<u>848,500</u>	<u>758,800</u>	<u>638,500</u>	<u>649,000</u>
Closing Balance	\$383,800	\$296,400	\$352,500	\$422,100

*Expenditures include \$400,000 transferred to community aids.

**Expenditures include \$250,000 transferred to fund programs supported by the substance abuse prevention and treatment block grant.

The table shows that, even with the Governor's recommendation to increase funding for programs supported by DAPIS funds and to convert 1.0 current GPR position to PR, \$422,100 is projected to be available from these revenues at the end of the 1997-99 biennium.

Alliance for a Drug-Free Wisconsin

2. Local alliances use DAPIS funds to conduct public awareness activities. A 1992 evaluation of these programs conducted by DHFS indicated that local alliances engage in a wide variety of activities, including: (a) support for a red ribbon campaign (red ribbons signify support for an alcohol and drug-free lifestyle), (b) latchkey programs, where children whose parents work can participate in structured recreational activities; (c) chemical-free events, such as parties and dances where alcohol and drugs are not permitted; and (d) "choices and challenges," a drug and alcohol prevention program that covers topics such as drug awareness, warning signs and parenting techniques. Alliances often sponsor conferences, guest speakers, the development and distribution of newsletters and reference guides and media campaigns.

3. The DHFS evaluation concluded that many of these programs had successful outcomes, as measured by the number of persons attending events or exposure to media campaigns. However, because these programs were relatively new, the evaluation presented no conclusive evidence on the long-term effects of these programs, as measured by reductions in drug-related arrests or convictions or changed attitudes among participants.

4. Although the number of local alliances for a drug-free Wisconsin has increased significantly since they were established in 1989, funding for grants has not increased since that time. As of February, 1997, there are 132 local alliances, compared with 20 local alliances in 1989. In fiscal year 1996-97, 64 local alliances requested grants totalling \$136,000, however, only \$44,000 was distributed. The remainder of the \$100,000 is budgeted for other costs to support local alliances.

As an alternative to the Governor's recommendation, the Committee could increase funding for grants by an amount that represents the difference between the amount requested (\$136,000) in SB 77 and provided in 1996-97 (\$44,000). However, establishing a funding level for the program that reflects total requested funds may result in: (a) the substitution of state funds for funds that would otherwise be raised by local alliances; and (b) state support for lower-priority projects.

GPR Funding Reductions

5. SB 77 would reduce DHFS funding by \$23,500 GPR annually to eliminate base funding for research evaluation activities. This funding is used to collect information for the Wisconsin Alcohol and Drug Abuse Indicators report produced by DHFS. DHFS would continue to be required to produce the report, but some demographic data specific to Wisconsin would not be available and some outcome information would not be available in the report. However, DHFS would continue to receive information on local activities related to substance abuse

through other sources. The report is used by the Council on Alcohol and Drug Abuse and members of the public.

6. SB 77 would convert 1.0 GPR position in the Bureau of Substance Abuse Services (BSAS) to 1.0 PR position, and reduce GPR funding by \$71,200 and increase PR funding by a corresponding amount in each year to reflect the conversion. This position is a supervisory position responsible for coordinating and implementing specialized substance abuse program operations and policy directions, planning, directing and coordinating the activities and programmatic objectives of the program planning, monitoring and evaluation unit of BSAS and serves as the single point of contact for county community service boards and human services departments for technical assistance and consultation requests.

7. DHFS identified the provisions to eliminate \$23,500 GPR annually for research evaluation activities and convert 1.0 GPR position to a 1.0 PR position in response to a Department of Administration requirement that state agencies submit options for budget efficiency measures.

If the Committee wished to use DAPIS funds to support costs that are currently supported by GPR, as provided in SB 77 with respect to the 1.0 GPR position in BSAS, it could increase community aids funds by \$250,000 PR on a one-time basis in 1997-98 and reduce funding by a corresponding amount of GPR. In 1995-96, DOA transferred \$400,000 PR of DAPIS funds on a one-time basis to community aids. Alternatively, these revenues could be used to increase community aids on a one-time basis. Because these changes would be made in 1997-98, DAPIS revenues would not be included in the 1998-99 community aids base.

Vacant BSAS Positions

8. DHFS is budgeted \$233,900 FED and 8.0 FED positions annually to provide case management services to individuals receiving supplemental security income (SSI) benefits for a disability due to alcoholism or drug addiction. Federal law changes have eliminated eligibility for SSI on the basis of alcoholism or drug addiction and no longer provide funding for case management staff. These positions have been vacant since 1996. This funding and position authority should be eliminated.

Legislative Oversight of DAPIS Revenue

9. Under current law, DHFS is authorized to expend all moneys it receives from the State Treasurer from DAPIS revenues. While this provision maximizes administrative flexibility for DHFS, as a practical matter, it provides the Legislature with little role in budgeting DAPIS funds. For example, under current law, DHFS could increase funds for grants to local alliances for a drug-free Wisconsin without legislative approval if revenues are sufficient to support increased program costs. If the Committee wished to limit DAPIS expenditures to the amounts budgeted by the Legislature and for the purposes authorized by the Legislature, it could modify the appropriation to limit DHFS expenditures from the PR appropriation to the amounts budgeted

in the appropriation schedule. If additional amounts were forthcoming, the Department could submit a s. 16.505/.515 request to the Committee.

10. However, such a change would limit the administration's flexibility to transfer funding to support other programs. In 1996-97 for example, DOA increased DHFS expenditure authority for DAPIS revenues in order to help offset reductions in the SAPT block grant.

ALTERNATIVES TO BILL

A. Alliance for a Drug-Free Wisconsin

see Motion #3124

1. Adopt the Governor's recommendations to increase funding for grants distributed by the Alliance for a Drug-Free Wisconsin by \$50,000 PR annually and increase funding by a corresponding amount to reflect the transfer of these funds from the Division of Supportive Living to the Division of Children and Family Services.

2. Modify the Governor's recommendations by increasing funding by \$42,000 PR annually and increasing funding by a corresponding amount to reflect the transfer of these funds from the Division of Supportive Living to the Division of Children and Family Services.

<u>Alternative A2</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	\$168,000

3. Delete the Governor's recommendation to provide increased funding for grants.

<u>Alternative A3</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$200,000

B. GPR Funding Reductions

Default

1. Adopt the Governor's recommendation to convert 1.0 GPR position in BSAS to PR, beginning in 1997-98, and reduce funding by \$71,200 GPR annually and increase PR funding by a corresponding amount and delete \$23,500 GPR annually for research evaluation activities.

2. Delete provision.

<u>Alternative B2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	\$189,400	- \$142,400	\$47,000

C. Alternative Uses of the DAPIS Balance

1. Increase community aids funding by \$250,000 PR in 1997-98.

<u>Alternative C1</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	\$250,000

2. Increase community aids funding by \$250,000 PR in 1997-98 and reduce GPR funding by a corresponding amount.

<u>Alternative C2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$250,000	\$250,000	\$0

3. Take no action.

D. Vacant BSAS Positions

1. Delete \$233,900 FED annually and 8.0 FED vacant positions, beginning in 1997-98, to reflect the termination of federal funding for case management services to individuals who receive SSI benefits for a disability due to alcoholism or drug addiction.

<u>Modification</u>	<u>FED</u>
1997-99 FUNDING (Change to Bill)	- \$467,800
1998-99 POSITIONS (Change to Bill)	- 8.00

E. Modify Appropriation

1. Limit DHFS expenditures of DAPIS funds to the amounts budgeted by the Legislature.

2. Maintain current law.

Prepared by: Rachel Cissne

MO# A11 #C2

2 JENSEN	X	N	A
1 OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	Y	N	A

BURKE	Y	X	A
DECKER	Y	X	A
GEORGE	Y	X	A
JAUCH	Y	X	A
WINEKE	Y	X	A
SHIBILSKI	Y	X	A
COWLES	X	N	A
PANZER	X	N	A

AYE 9 NO 7 ABS

PAPER #475

MO# AH #1/8 #31

Z JENSEN	<input checked="" type="checkbox"/>	N	A
OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS

HEALTH AND FAMILY SERVICES

Local Alliances for a Drug-Free Wisconsin

Motion:

Move to modify Alternative #1 of Paper #475, to require DHFS to allocate at least 75% of the \$150,000 PR annually provided under this Alternative (including \$100,000 PR in base funding) for grants to local alliances for a drug-free Wisconsin.

Note:

This motion would specify that 75% of the \$150,000 PR annually available for grants and technical assistance would be provided as grants to local alliances. In 1996-97, 44% of \$100,000 PR available for grants and technical assistance was distributed as grants to local alliances.

MO# 3124

JENSEN	<input checked="" type="checkbox"/>	N	A
OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS